

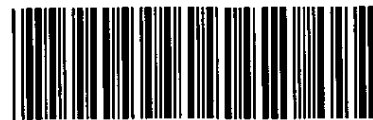
AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A68LNN3D

A11

14/06/2017

#166

COMPANIES HOUSE

1 Company details

Company number 0 7 0 2 2 4 1 5

Company name in full KFC Realisations Limited formerly Key Financial Claims Limited

→ Filing in this form
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s) Christopher James

Surname Farrington

3 Administrator's address

Building name/number 1 Woodborough Road

Street

Post town Nottingham

County/Region

Postcode N G 1 3 F G

Country

4 Administrator's name [Ⓢ]

Full forename(s) Daniel James Mark

Surname Smith

Ⓢ Other administrator
Use this section to tell us about another administrator.

5 Administrator's address [Ⓢ]

Building name/number PO Box 500

Street 2 Hardman Street

Post town Manchester

County/Region


Postcode M 6 0 2 A T

Country

Ⓢ Other administrator
Use this section to tell us about another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report											
From date	^d 0	^d 1	^m 1	^m 0	^y 2	^y 0	^y 1	^y 6			
To date	^d 3	^d 1	^m 0	^m 3	^y 2	^y 0	^y 1	^y 7			
7 Progress report											
<input checked="" type="checkbox"/> I attach a copy of the progress report											
8 Sign and date											
Administrator's signature	Signature		X  X								
Signature date	^d 1	^d 2	^m 0	^m 6	^y 2	^y 0	^y 1	^y 7			

AM10

Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Wendy Packwood**

Company name **Deloitte LLP**

Address **1 Woodborough Road**

Post town **Nottingham**

County/Region

Postcode **N G 1 3 F G**

Country

DX

Telephone **+44 121 632 6000**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Deloitte.

KFC Realisations Limited formerly Key Financial Claims Limited (In Administration) (“the Company”)

Court Case No. 3192 of 2015
High Court of Justice, Chancery
Division, Manchester District
Registry
Company Number: 07022415

Registered Office: c/o Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ

Progress report to creditors for the period 1 October 2016 to 31 March 2017 pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended) (“the Rules”).

Christopher James Farrington and Daniel James Mark Smith (“the Joint Administrators”) were appointed Joint Administrators of KFC Realisations Limited formerly Key Financial Claims Limited on 30 November 2015. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP (“Deloitte”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

13 June 2017.

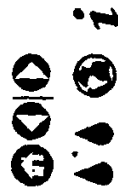
Contacts

Joint Administrators of the Company

Christopher James Farrington
Daniel James Mark Smith
Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

Contact details




Email: wpackwood@deloitte.co.uk
Website: [http://www.deloitte-
insolvencies.com/keyfinancialclaims/
limited](http://www.deloitte-
insolvencies.com/keyfinancialclaims/limited)
Tel: 0121 696 8661

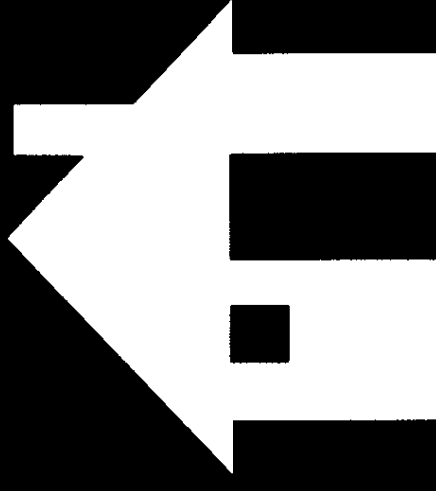


Key messages

Commentary

- | Key messages | Commentary |
|---|--|
| Purpose of administration | <ul style="list-style-type: none">The purpose of the administration is to achieve a better result for the Company's creditors as a whole than an immediate liquidation of the Company. |
| Progress of administration | <ul style="list-style-type: none">The Company receives 10% of Family Money Saver's ("FMS") revenue from collecting the KFC pipeline, and 2.5% of FMS' own pipeline. During the period realisations of £2k and £21k have been achieved respectively.The Joint Administrators have collected £524 of the Director's loan account during the period.Preferential creditors were paid 100p in the £ on 14 December 2016. |
| Costs | <ul style="list-style-type: none">The basis of our remuneration has been fixed by reference to time costs as set out in the fees estimate on page 10.Our time costs for the report period are £31,332 bringing our total time costs since appointment to £216,234 and thus have exceeded our original fee estimate of £214,951. However the Joint Administrators do not intend to draw remuneration above the agreed fee estimate, as shown in the receipts and payments account on page 5. |
| Outstanding matters | <ul style="list-style-type: none">Conclude pipeline recoveries.Finalise realisations of the Director's loan account.Case closure. |
| Dividend prospects | <ul style="list-style-type: none">Secured creditors - The Company has no secured creditorsPreferential creditors have been paid in full.Unsecured creditors – There will be a distribution to unsecured creditors. |
| Extension to administration period | <ul style="list-style-type: none">The administration was extended by the unsecured creditors on 15 November 2016 and will now end on or before 30 November 2017. |

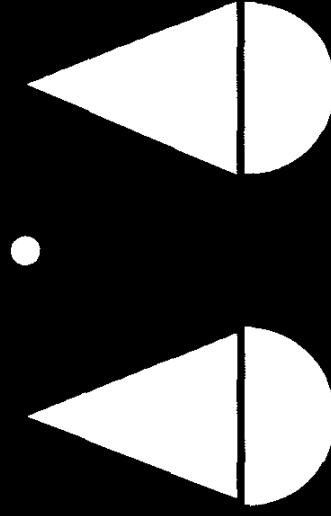
 Contents	2
 Progress of the administration	3
 Information for creditors	6
<i>i</i> Remuneration and expenses	8



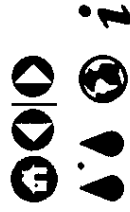
Progress of the administration

Summary 4

Receipts and payments 5



Progress of the administration Summary



Progress of the administration

Work done since our last report

Book debts

We have collected a final amount of £36 in the period and expect no further book debt recoveries.

Pipeline revenues

During the report period the Company has realised £2k and £21k as its commission of collection from the FMS (2.5%) and KFC (10%) pipelines respectively.

Director's loan Account

We are continuing to collect the Director's loan advanced to Daniel Gale and £524 has been received during the period. Payments continue to be received and the remaining balance has been cleared subsequent to the period covered by this report.

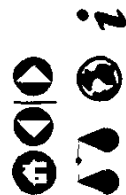
Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case management;
- correspondence with creditors;
- cashiering functions; and
- case review.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Progress of the administration Receipts and payments



Joint Administrators' receipts and payments account 30 November 2015 to 31 March 2017

	SoA Values	Note	Period	To date
Receipts				
Directors' Loan Account	-		524.00	2,774.00
Goodwill	-		-	1.00
Intellectual Property Rigi	-		-	1.00
Customer Contracts	-		-	1.00
Seller's Records	-		-	1.00
KFC Pipeline	-		21,346.25	124,563.92
FMS Pipeline	-		2,346.25	15,823.11
Office Furniture & Equipr	-		-	10,000.00
Book Debts	-		35.89	39,436.92
Cash at Bank	-		-	132,051.59
Client Account Funds	-	3	-	12,059.16
Bank Interest Gross	-		211.35	580.44
Suspense Account	-		-	312.84
Third Party Monies	-	4	-	10,062.35
Trading surplus	-		-	28,320.00
Total receipts	-		24,463.74	375,988.33

Payments				
Specific Bond	-		-	115.00
Administrators' Fees	-		75,000.00	175,000.00
Administrators' Expenses	-		-	224.60
Website costs	-		-	500.00
Agents/Valuers Fees	-		-	1,670.00
Legal Fees (1)	-		-	13,819.00
Legal fees (2)	-		-	100.00
Stationery	-		30.00	30.00
Storage Costs	-		84.54	84.54
Postage & Redirection	-		103.00	103.00
Statutory Advertising	-		169.20	253.80
Bank Charges	-		-	141.86
Preferential Creditors	-		11,196.58	11,196.58
Third Party Monies	-	4	1,226.00	1,226.00
Total payments	-		87,809.32	204,464.38

Balance				171,524
Made up of:				
VAT Receivable	2		-	15,077.35
I/B Current A/c	1		-	166,957.12
VAT Received From HM R&C	2		-	(10,510.42)
Balance in hand				171,524

A receipts and payments account together with a separate trading account is provided opposite and on the next page, detailing the transactions in the period to 31 March 2017 and all transactions since the date of our appointment.

Notes to receipts and payments account

- All funds are held in an interest bearing bank account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.
- All sums shown are net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.
- Funds held in the Company's client account for compensation at the date of appointment where the client cannot be traced.
- Monies received belonging to third parties that will be transferred in due course.



Information for creditors

Outcome

7



Information for creditors Outcome

Secured creditors

The Company has no secured creditors.

Preferential creditors

A first and final preferential dividend of 100p in the £ amounting to £11,196.58 was declared and paid to preferential creditors on 14 December 2016.

Prescribed Part

As there are no secured creditors with floating charges, the Prescribed Part provisions will not apply to this case.

Unsecured creditors

Following the payment of the preferential creditors in full, we anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors but are unable to provide an estimate of quantum until pipeline collections have been concluded.

Claims process

Unsecured creditors are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 1, marked for the attention of Wendy Packwood.

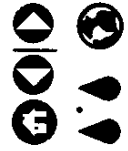
Extensions to the administration

The administration was extended by the unsecured creditors on 15 November 2016 and will now end on or before 30 November 2017.

Exit

The Administrators anticipate that there will be sufficient funds to enable a distribution to be made to unsecured creditors and move to Liquidation.

As detailed in our proposals, in this case, we will request approval from the creditors for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.



i Remuneration and expenses

Joint Administrators' remuneration 9



Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at [http://www.deloitte-
insolvencies.com/keyfinancialclaims/limited](http://www.deloitte-insolvencies.com/keyfinancialclaims/limited).

Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 5 February 2016 by a meeting of creditors by correspondence by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration as set out in the fees estimate.

Time costs incurred

A copy of our Fees Estimate detailing the work that we anticipate will need to be undertaken on this case for the duration of the appointment together with estimates of the likely cost and amount of time that each part of that work will take to complete is provided on Page 10.

We have also updated the Fees Estimate to provide details of our actual time costs for the period of this report and for the entire period of our appointment. As you will see our total time costs to 31 March 2017 are £216,234 made up of 587.6 of hours at an average charge out rate of £368 across all grades of staff, thus have exceeded our original fee estimate of £214,951, however the Joint Administrators do not intend to draw remuneration above the agreed fee estimate, as shown in the receipts and payments account on page 5. To date we have drawn remuneration of £175,000.

Variances to budget estimates

Statutory and compliances

Additional costs associated with statutory duties include an increased time spent in dealing with audit of the client account.

Initial actions

There has been a reallocation of time but overall across the three task categories we remain within budget.

Third party assets

Additional costs incurred dealing with the collection of third party assets from the Company's site.

Taxation

Higher costs than originally anticipated incurred dealing with pre and post appointment corporation tax submissions.

Book debts

The costs associated with the recovery of the Director's loan account and the book debt collections have been greater than initially anticipated.

Sale of business

Additional time has been incurred dealing with the deferred consideration element of the sale proceeds. There are likely to be further costs incurred to finalise this realisation.

Closure of trading

It has taken more time than originally anticipated to finalise the trading costs and obtain final invoices for utilities, rent, etc.

Employee correspondence

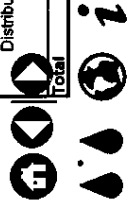
There has been considerably more time spent dealing with employee queries regarding holiday entitlements.



Fees Estimate and Joint Liquidators' time costs for the period 30 November 2015 to 31 March 2017

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity	Estimated total hours	Avg Rate £/h	Estimated total time costs	Hours incurred so far	Avg Rate £/h	Time costs incurred so far (£)	Hours incurred to date	Avg Rate £/h	Time costs incurred to date (£)
Administrative activities*									
Cashiering	51.5	418	21,515	10.5	359	3,768	43.0	339	14,555
Case supervision	49.8	390	16,930	16.1	332	5,324	46.6	355	16,615
Case reviews	12.6	317	3,988	2.0	335	670	3.8	372	1,399
Case closure matters	8.5	348	2,970						
Statutory & compliance									
External joint appointees									
Compliance & IPS diary	14.4	360	5,184	8.1	364	2,950	34.6	390	13,503
Insurance	2.9	422	1,214				0.8	335	268
General reporting	80.3	362	29,089	6.6	430	2,847	70.5	385	27,145
Statutory meetings							3.5	371	1,280
Regulatory & other legislation									
Court applications	3.6	360	1,296				1.1	374	411
Appointment matters	10.5	532	5,583				16.3	249	4,062
Securing assets	13.1	440	5,746	1.2	220	264	13.0	335	4,360
Notifications	22.7	327	7,407				9.7	454	4,400
Investigations									
CDDA reporting	18.0	343	6,174				13.2	337	4,427
Investigations	8.5	399	3,390				5.5	404	2,223
Taxation*									
Tax	6.4	319	2,044	9.9	402	3,980	34.8	346	12,017
VAT	38.0	323	12,277	3.1	335	1,039	23.8	401	9,547
Asset realisations									
Third party assets	2.0	430	860	5.6	378	2,124	3.0	430	1,290
Book debts	9.0	313	2,820				25.2	384	9,685
Chattel assets				0.3	760	228	0.7	564	398
Other assets	3.0	490	1,470				1.4	220	308
Property							51.1	511	26,137
Retention of title	60.0	273	16,350						
Sale of business									
Trading									
Antecedent transactions	5.0	430	2,150	3.0	760	2,280	3.0	760	2,280
Day 1 control of trading	3.0	430	1,290				5.0	430	2,150
Ongoing trading	28.5	430	12,255				4.5	398	1,793
Monitoring trading	26.0	352	9,150				28.5	430	12,255
Closure of trade	4.0	408	1,636				30.3	433	13,126
Consultation	47.2	282	13,310	15.6	228	3,568	80.0	253	20,204
Correspondence									
Employment tribunals	0.5	335	168						
Pensions									
Employees									
Creditors	25.5	277	7,059	3.6	308	1,114	29.9	288	8,604
Committee									
Shareholders	0.1	395	395						
Customers				0.2	335	670	2.0	335	670
Press & media queries									
Correspondence									
Secured creditors	33.8	297	10,069	2.7	351	928	2.7	351	928
Preferential creditors	36.8	252	9,287						
Unsecured creditors									
Shareholder									
Total	627.7	342	214,951	89.4	366.7	31,874	567.6	368.0	219,231



Remuneration and expenses

Detailed information

Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below:

Category 1 disbursements

£ (net)	Period	Total	Paid	Unpaid
Storage	27	90	90	-
Postage and Stationery	100	100	100	-
Advertising	85	85	85	-
Subsistence	-	45	45	-
Bordereau	-	230	115	115
Total expenses	212	550	435	115

Category 2 disbursements

£ (net)	Period	Total	Paid	Unpaid
Mileage and travel	-	180	180	-
Website set up	-	500	500	-
Total disbursements	-	680	680	-

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Our disbursements have been partially recovered to date.

Creditors' right to request information

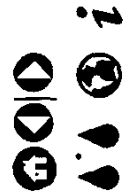
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



Deloitte.

This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom

Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Member of Deloitte Touche Tohmatsu Limited